

EXHIBIT R

DICKSTEINSHAPIRO_{LLP}

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December 10, 2012

Via Federal Express

Richard J. Olin, Esq.
Vice President and General Counsel
Costco Wholesale Corporation
999 Lake Drive
Issaquah, Washington 98027

Re: Sale of Misbranded "Tiffany" Merchandise in Huntington Beach, California

Dear Mr. Olin:

We represent Tiffany and Company, and the matter of Costco's sale of certain engagement rings in its Huntington Beach, California store (the "HB Store") has been referred to us for resolution.

On November 22, 2012, two diamond engagement rings identified as "Tiffany" were observed in a showcase at the HB Store. One ring was marked with the SKU 639911, and the description "PLATINUM TIFFANY .70CT VS2.1 ROUND DIAMOND RING" with a price of \$3,199.99. The other, marked with the SKU 605880, was described as "PLATINUM TIFFANY VS2.1 1.00CT ROUND BRILLIANT DIAMOND SOLITAIRE RING," and had a price of \$6,399.99. The salesperson, identified by her name tag as Jean, said that from time-to-time she has seen Tiffany rings for sale at the HB Costco. The lower priced of the two rings was purchased, and delivered by Costco along with a document captioned "Appraisal" claiming the appraised value of the ring with SKU 63991 was \$4,480.00 (the "Purchased Ring").

The Purchased Ring was thereafter examined by Tiffany. It is not a Tiffany product, nor does it meet the standards of a ring Tiffany would offer for sale. The designation of the ring by Costco as "Tiffany" was not only a misrepresentation of the product, but it also constitutes infringement and counterfeiting.

Accordingly, we are hereby demanding that Costco provide us with whatever proof of origin it has for the rings identified above, as well as records showing all other purchases of rings and other merchandise marked or marketed by Costco as being "Tiffany" products. This is a matter of great importance to our client, and we presume, given Costco's reputation, you are as interested as our client to learn the source of this misconduct.

Kindly provide us with an initial response by no later than Friday, December 14th, as we would like to be assured that Costco will be cooperative. If this matter is not resolved promptly to

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Tiffany's satisfaction, we have been authorized to take whatever action is appropriate to insure that this conduct stops immediately, and that the public is not misled any longer.

Thank you in advance for your cooperation and assistance.

Sincerely,



Jeffrey A. Mitchell

JAM/
Enclosures